

SENATE BILL 4029

By Bunch

AN ACT to amend Tennessee Code Annotated, Title 8, Chapter 34; Title 8, Chapter 35; Title 8, Chapter 36 and Title 8, Chapter 37, relative to retirement.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-121, is amended by deleting the section in its entirety and by substituting instead the following language:

Section 8-36-121.

(a) A member's nomination of a person as beneficiary to receive payments under the provisions of chapters 34-37 of this title shall be made by the member in writing, duly executed and filed with the retirement division.

(b) Except as provided in subsection (f), a member may change such member's nomination at any time by a similar written designation.

(c) Prior to filing an application for retirement benefits, a member may name more than one (1) person as beneficiary. By doing so, benefits are payable in a lump sum and are not payable under § 8-36-108, § 8-36-109 or part 6 of this chapter, unless the member's surviving spouse is one of the beneficiaries named. If the member's surviving spouse is named, the spouse shall be entitled to receive any retirement allowance which would otherwise have been payable had the surviving spouse been named the sole beneficiary. If the named surviving spouse elects to receive a retirement allowance, no benefits shall be paid to the remaining beneficiaries. If the named surviving spouse elects to receive the lump sum payment provided herein, the payment shall be distributed in equal proportions among the named surviving spouse and the other surviving beneficiaries. For purposes of this section, "person" means any individual, firm, organization, partnership, association, corporation, estate or trust.

(d) Amounts payable to multiple beneficiaries shall be distributed in equal proportions among the surviving beneficiaries.

(e) Notwithstanding any provision of this section or any other law to the contrary, if a member has not nominated a beneficiary in the manner provided in subsection (a), then at the member's death, the member's surviving spouse shall be deemed the member's beneficiary and the spouse shall be entitled to receive any payments that would otherwise have been payable under the provisions of chapters 34-37 of this title had the surviving spouse been named the beneficiary. If no such surviving spouse exists upon the member's death, then any lump sum payment due shall be made in accordance with § 8-36-120.

(f) Upon retirement, the member may designate one (1) or more persons as beneficiaries. The designation of beneficiary on the application for retirement shall supersede the designation of all previous beneficiaries, and may not be changed or revoked, except as provided in part 6 of this chapter.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.